

**REMARKS/ARGUMENTS**

Claims 1 - 32 are pending.

Claims 1, 7, and 14 - 21 are rejected under 35 U.S.C. 102(b) as being unpatentable by Yamagata et al., U.S. Patent No. 5,856,460.

Claims 2 - 6, and 13 are rejected under 35 U.S.C. 103(a) as being unpatentable over Yamagata et al., U.S. Patent No. 5,856,460 in view Fujinami et al., U.S. Patent No. 6,192,189.

Claims 8 - 11, and 2 are rejected under 35 U.S.C. 103(a) as being unpatentable over Yamagata et al., U.S. Patent No. 5,856,460 in view of Copeland et al., U.S. Patent No. 5,659,613.

The present invention is directed to playback of audio/visual data containing a watermark. In accordance with the present invention, a part or subset of the audio/visual data is stored in a data store. The watermark information stored in the data store is detected. The data is selectively output depending on a result of the detection of the watermark. The claims have been amended to more specifically recite these aspects of the invention, and thus distinguish over the cited art.

Yamagata et al. disclose a reproducing apparatus includes a discriminating apparatus unit for determining whether the signal recorded in each of the blocks on a recording medium is a video signal or some other signal. The results of the determinations are stored. A reproducing unit selectively reproduces the blocks on the basis of the stored information. If a signal recorded in an accessed block is not a video signal, this fact is displayed. *Abstract*. They do not disclose the use of watermarks, or processing based on watermarks stored on the recording medium.

Fujinami et al. describe a data recording method in which video data and plural channels of language data are divided into packets as units. The video data and the plural channels of language data are recorded on a record medium along with the information containing a flag designating a reproducing channel of the language data matched to a

reproducing pattern of the video data. *Abstract.* They do not disclose the recording of watermarks.

Copeland et al. disclose copyright protection for recording media such as Digital Video Discs (DVDs). They disclose various techniques beginning on col. 3, line 44. A common element among the disclosed techniques is the use of an Authenticating Signature which can be impressed on the master disk by position modulating the writing head radially to create a certain amount of wobble in that the tracks. The Authenticating Signature can then be read (wobble is detected) in the DVD by taking advantage of the player's existing radial tracking servo system. *Col. 2, lines 56 - 65.*

Copeland et al. describe a system that uses a video fingerprint signal as a trigger to look for the Authenticating Signature. *Col. 4, line 58 - col. 5, line 53.* The video fingerprint signal is created by modifying the decoded video signal itself. A small amount of lift (e.g., about one millivolt) is added to field one of the video signal, and subtracted from field two of the video signal. *Col. 5, lines 35 - 39.* An integrator circuit is provided in the video processing circuitry to detect the signal. Upon detection, the player will look for the Authenticating Signature (i.e., look for wobbles in the track) and play the medium if the Authenticating Signature is detected. *Id. at lines 48 - 52.*

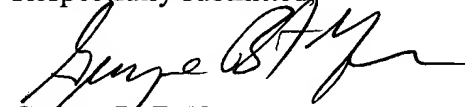
Copeland et al. do not disclose the use of watermarks as recited in the pending claims.

**CONCLUSION**

In view of the foregoing, Applicants believe all claims now pending in this Application are in condition for allowance. The issuance of a formal Notice of Allowance at an early date is respectfully requested.

If the Examiner believes a telephone conference would expedite prosecution of this application, please telephone the undersigned at 650-326-2400.

Respectfully submitted,



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